

February 29, 2000

TO THE MISSISSIPPI STATE SENATE:

I am directed by the Governor to advise you that he has approved the following Senate Bill:

S.B. NO. 2512: AN ACT TO CREATE THE MISSISSIPPI TELECOMMUNICATIONS TAX REFORM ACT; TO PROVIDE THAT CERTAIN PERSONS PROVIDING TELECOMMUNICATIONS SERVICES SHALL BE ENTITLED TO A REFUND FROM THE STATE OF MISSISSIPPI IN AN AMOUNT EQUAL TO 50% OF THE AGGREGATE AMOUNT OF THE AD VALOREM TAX PAID BY SUCH PERSON ON CLASS IV PROPERTY TO LOCAL TAXING DISTRICTS IN THIS STATE; TO PROVIDE THAT SUCH REFUNDS SHALL BE PAID BY THE STATE TAX COMMISSION EXCLUSIVELY FROM THE TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND CREATED BY THIS ACT; TO PROVIDE FOR THE PROPORTIONATE REDUCTION OF SUCH REFUNDS IN THE EVENT THAT THERE ARE INSUFFICIENT MONIES IN THE FUND TO PAY SUCH REFUNDS AND TO PROVIDE FOR THE CARRY FORWARD OF SUCH REFUNDS; TO PROVIDE THAT AMOUNTS IN EXCESS OF THE AMOUNTS NECESSARY TO PAY SUCH REFUNDS AND CARRY FORWARDS SHALL BE TRANSFERRED INTO THE MOTOR VEHICLE AD VALOREM TAX REDUCTION FUND; TO CREATE THE TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND; TO PROVIDE THAT THE MONEY IN SUCH FUND SHALL BE UTILIZED TO PAY THE REFUND AUTHORIZED BY THIS ACT; TO PROVIDE THAT SUCH FUND SHALL BE ADMINISTERED BY THE STATE TAX COMMISSION; TO REQUIRE A RATE REDUCTION BY CERTAIN TELECOMMUNICATIONS SERVICE PROVIDERS THAT EXPERIENCE A TAX SAVINGS AS A RESULT OF THE PROVISIONS OF THIS ACT; TO AMEND SECTION 27-65-19, MISSISSIPPI CODE OF 1972, TO PROVIDE FOR THE LEVY OF A SALES TAX UPON THE PROVISION OF INTERSTATE TELECOMMUNICATIONS SERVICES AT THE RATE OF 5.5%; TO AMEND SECTION 27-65-75, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE PROCEEDS OF THE SALES TAX ON INTERSTATE TELECOMMUNICATIONS SERVICES SHALL BE DEPOSITED WITHOUT DIVERSION INTO THE TELECOMMUNICATIONS AD VALOREM TAX REDUCTION FUND; TO AMEND SECTION 27-35-319, MISSISSIPPI CODE OF 1972, TO REMOVE PROVISIONS THAT CLASSIFY THE PROPERTY OF TELEPHONE COMPANIES LOCATED IN MORE THAN SIX COUNTIES AS CLASS IV OR CLASS II PROPERTY; TO AMEND SECTION 27-35-

163, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT, IN APPEALS OF ORDERS OF THE STATE TAX COMMISSION BY A TELEPHONE COMPANY OPERATING IN MORE THAN SIX COUNTIES, THE DISPUTED TAXES SHALL BE PAID UNDER PROTEST AND THAT A TELEPHONE COMPANY WHO PREVAILS IN SUCH AN APPEAL SHALL BE ENTITLED TO A REFUND OR CREDIT OF SUCH TAXES; TO AMEND SECTION 27-51-105, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

Respectfully submitted,

Erich Howard
Legislative Aide